

# Press Release

## Andrew Cuomo, Secretary Office of Public Affairs

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Housing Secretary Cuomo announces grants and guaranteed loans  
\$129 MILLION IN HUD FUNDS TO BRING JOBS, REVITALIZE ENVIRONMENTALLY DISTRESSED AREAS  
IN 22 U.S. COMMUNITIES

**WASHINGTON** - The economies of 22 communities around the country just got a welcome financial shot-in-the-arm from Uncle Sam, thanks to the U.S. Department of Housing and Urban Development, which today said that it is providing about \$129 million in grants and guaranteed loans to help revitalize environmentally distressed areas and create nearly 17,000 new jobs.

The funding is also expected to leverage an additional \$1.4 billion in private funds that will reenergize the economies of these communities.

HUD Secretary Andrew Cuomo said that today's funding will go to: Baltimore, MD; Buffalo, NY; Carson, CA; El Monte, CA; Jersey City, NJ; Kansas City/Wyandotte, KS; Los Angeles, CA; Lowell, MA; Lynwood, CA; Monterey Park, CA; Montgomery County, PA; Phillipsburg, NJ; Portland, ME; Port Townsend, WA; Provo City, UT; Reading, PA; Rochester, NY; Saint Paul, MN; San Antonio, TX; San Mateo, CA; South Bend, IN and Troy, NY.

Cuomo said that the funding is in two forms: \$25 million in Brownsfields Economic Development Initiative (BEDI) grants, and \$104 million in Section 108 guaranteed loans.

Brownfields are abandoned industrial sites such as gasoline stations, oil storage facilities, dry cleaning stores, and other businesses that handled polluting substances. Since 1993, the Clinton Administration has taken a number of actions to clean-up and redevelop brownfields and return them to productive use, including: providing seed money to communities for revitalization; removing regulatory barriers to redevelopment; and providing targeted tax incentives to businesses that purchase and clean-up the sites.

Section 108 guaranteed loans are loans to communities at reduced interest rates to promote economic development, expand the amount of housing or improve public facilities.

"Jobs, jobs, jobs; that's what these two HUD programs are all about," Cuomo said. "Nationwide, we expect that the awards that we're making now will create about 19,000 new jobs and stimulate billions more dollars in additional private and public investments. At HUD, we want to rejuvenate America's neighborhoods so that people who live and work there will have brighter futures."

HUD's BEDI grant program helps communities in a number of ways. For example, the City of Buffalo will receive a \$240,000 BEDI grant and \$3.03 million Section 108 loan for the Union Ship Canal project, which is located in South Buffalo. The BEDI will be used to pay off the Section 108 Loan. The Section 108 funds will be used for site remediation and site preparation and will meet the national objective requirement of benefit to low and moderate income through the creation of approximately 900 new jobs.

**Carson, CA** - Carson will receive a \$770,000 BEDI grant and a \$5.5 million Section 108 loan to assist in the redevelopment of an approximately 90 acre site at the intersection of the Harbor Freeway (I-110) and San Diego Freeway (I-405). The new development will be a mixed use project including a business park and freeway oriented retail activity. The new project will generate estimated annual property and sales taxes of

roughly \$2.7 million. The new project will generate 2247 new jobs.

**El Monte, CA** - As part of its comprehensive economic development plan the City of El Monte will receive a \$500,000 BEDI grant and \$4 million Section 108 loan to develop the Pacific Place project, which will make possible the development of an International Business Incubator and Foreign Trade Center. The Center will increase opportunities in the area of foreign trade. The City will use BEDI and Section 108 loan funds to assist in the cleanup of brownfields conditions at the site, and enable the redevelopment of existing blighted properties. The City anticipates that at least 355 jobs will be created by the project, and expects to leverage \$11.38 million in private financing, and an additional \$2.5 million in other public funds.

**Kansas City/Wyandotte, KC** - Kansas City will receive a \$400,000 BEDI grant and \$2 million Section 108 loan to support the expansion of an existing business, Weld Racing, Inc., to a 200,000 square foot facility. The BEDI funds will be applied to \$817,000 in remediation costs to ensure that construction maintains compliance with requirements for the former superfund site. The Section 108 loan will supplement \$10 million from GMCA Commercial Mortgage in private financing for the expansion. The project will result in 100 jobs which will be made available to lower income area residents. El Centro, Inc., the current property owner, will work with Weld Racing on training and placement of area residents.

**Los Angeles, CA** - Los Angeles will receive a \$1.09 million BEDI grant and a \$10 million Section 108 loan for The Samitaur development, one of 21 Brownfields in Los Angeles targeted for redevelopment. This site is part of a larger development, Conjunctive Points, created to "develop a unique urban environment which will support and reflect future technologies... as well as to bring together creative people from the arts and sciences in a physically and intellectually stimulating way." Los Angeles is a national Brownfields Showcase Community. The funding from the \$1.09 million BEDI grant will be used by a non-profit organization to purchase a parcel on the Samitaur site and pay for remediation of the site. The Section 108 loan will be used as follows: \$2.6 million to the developer to fund sewer line relocation; \$5.3 million for the acquisition of another parcel; and \$2.1 million to assist in flex/office space development on another site. This project will create 2,014 full time jobs, the majority of which will be filled by people with low and moderate income.

**Lowell, MA** - As part of its comprehensive economic development plan the City of Lowell will receive \$2 million BEDI grant and \$2.5 million Section 108 loan to develop a concept for its urban entertainment district which will include the new Lowell Cultural and Performing Arts Center (CAPAC). The City of Lowell will partner with Middlesex Community College in this project. The City will use the grant and loan to assist in construction of the 110,000 square foot multi-use performing arts center, and revitalize the Lower Belvidere/East Merimack Street Corridor area. The funds will also be used to conduct the environmental remediation, site preparation, site acquisition, and to begin construction. The project will be coordinated by the CAPAC Commission. The City projects that at least 131 jobs will be created by the project, with another 1,000 jobs possible from the adjoining mixed used development. The City expects to leverage \$17.5 million in private financing, with an additional \$24.9 million in other public funds beyond those to be received via the BEDI and Section 108 programs.

**Lynwood, CA** - Lynwood will receive a \$875,000 BEDI grant and \$7 million Section 108 loan to develop the Lynwood Towne Center Retail Project. The City will use the funds to assist in the brownfields cleanup of the site, and to construct 126,000 square foot of retail space. At least 285 jobs are to be created by the project for area residents. The city expects to leverage more than \$22 million in private financing, with an additional \$12.1 million in additional public funds beyond the BEDI and Section 108 financing.

**Montgomery County, PA** - In order to combat blighted conditions, the Redevelopment Authority of Montgomery County and O'Neil Properties will receive a \$2 million BEDI grant and \$3 million Section 108 loan for site preparation of industrial property in Conshohocken Borough along the Schuylkill River for use as 570,000 square foot commerce office building and 500,000 square foot residential complex. The project follows a \$200,000 grant for EPA assessment study of brownfields sites in the county and will facilitate the investment of more than \$60 million in the construction and renovation of buildings on the site.

**Phillipsburg, NJ** - The Town of Phillipsburg will receive a \$500,000 BEDI grant and a \$2.5 million Section 108 loan to redevelop and acquire 100 acres of a 385 acre site that is known as the Ingersoll Rand Company site. This brownfields site will be reclaimed by the town to provide a modern industrial park that will include new roads, the extension of rail spurs off the existing track, upgrade utility connections and most importantly, soil remediation. The Town of Phillipsburg will contract for the erection of a 600,000 square foot manufacturing

building and create a minimum of 300 jobs and \$685,000 in new tax base for the Town.

**Portland, ME** - As part of a comprehensive economic development plan, the City of Portland will receive a \$1.8 million BEDI grant and \$3.9 million Section 108 loan. The City will use tax increment financing to repay the loan to acquire and remediate existing scrap yards and industrial properties for use as office by relocating biotechnology firm and 33-unit tax credit apartment complex. Relocating business will retain 565 jobs and create 635 jobs.

**Port Townsend, WA** - As part of its comprehensive economic development plan the City of Port Townsend will receive a \$500,000 BEDI grant and \$1 million Section 108 loan for the Northwest Maritime Center project. The funds will be used for land acquisition, clean-up and redevelopment of the Thomas Oil Property, located in the National Historic District. This project will become a year around educational and tourist attraction that will also provide at least 35 new jobs. When the Center opens there will be classrooms, conference facilities, maritime offices, museums display areas, retail shops, dock for historic vessels, and access to water. The educational and vocational programs will highlight boat building skills, marine trades as well as native crafts.

**Provo City, UT** - As part of its comprehensive economic development plan, the City of Provo, UT will receive \$1 million BEDI grant and \$3.5 million Section 108 loan to complete environmental site-work and demolition of building foundations at a former steel plant. The site, a cooperative owned by U.S. Steel and the City, has been a blighting influence on the community. While creating 300 jobs, the project will convert the site to a multipurpose property with business office space, warehousing and distribution, retail and minor league baseball concern.

**Reading, PA** - As part of its comprehensive economic development plan, the City of Reading has developed a concept for development of the Buttonwood Gateway Urban Renewal Area. The project is located in a State designated Keystone Opportunity Zone. The City will use the funds to assist in construction of the 82,000 square foot of manufacturing space. The funds will be used to acquire approximately a 5-acre portion of this site, and then conduct environmental cleanup and development. The City projects at least 160 jobs will be created by the project for area residents. The City expects to leverage \$1.75 million in private financing.

**Saint Paul, MN** - The City of St. Paul will receive a \$2 million BEDI grant and a \$8 million Section 108 loan to remediate 125 acres of industrial, railroad and waste areas to build a new business center, housing units, access roads, bike trails and greenway connectors with linkages to the neighborhoods. This will lead to the creation of 400 new jobs and 120 new housing units. The grant will be used for acquisition of property site preparation and as a debt service reserve to pay loan costs for the first two years until the project becomes self-sustaining. The loan will be used for acquisition of property, relocation, demolition, and infrastructure site preparation.

**San Mateo, CA** - As part of its comprehensive economic development plan, the County of San Mateo, in partnership with the City of East Palo Alto, will receive a \$700,000 BEDI grant and a \$5 million Section 108 loan to build infrastructure into the Ravenswood business district that will allow access and spur development. The project will create an estimated 6,500 new jobs, and 500 new housing units, plus the concomitant business development in a brownfields area.

**South Bend, IN** - South Bend will receive a \$800,000 in BEDI grant and \$3.4 million Section 108 loan to acquire blighted property near lower income neighborhoods that has abandoned, outdated multi-story industrial manufacturing buildings in order to remediate properties, demolish buildings and develop infrastructure for potential use of property by modern manufacturing companies. Within five years this will result in investment of \$15 million for construction of 225,000 square feet of modern industrial space and the creation of 250 jobs.

**Troy, NY** - As part of its comprehensive economic development plan, the City of Reading has developed a concept for development of the Buttonwood Gateway Urban Renewal Area. The project is located in a State designated Keystone Opportunity Zone. The City will use BEDI and Section 108 loan funds to assist in construction of the 82,000 square foot of manufacturing space. The 108 funds will be used to acquire approximately a 5-acre portion of this site, and then to conduct the environmental cleanup and development. The City projects that at least 160 jobs will be created by the project for area residents. The City expects to leverage \$1.75 million in private financing.